

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

August 16, 1984



ALL-COUNTY INFORMATION NOTICE I-78-84

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: INTERCEPTION OF STATE INCOME TAX REFUNDS TO COLLECT DELINQUENT RESTITUTION  
OF AFDC OVERPAYMENTS AND FOOD STAMP OVERISSUANCES-AFDC/FS INTERCEPT PROGRAM

REFERENCE:

The State Department of Social Services (SDSS), in conjunction with the State Controller's Office and the Franchise Tax Board (FTB) will again administer a state income tax refund intercept system for Tax Year (TY) 1984. This system is designed to facilitate the collection of delinquent restitution of Aid to Families with Dependent Children (AFDC) overpayments and Food Stamp (FS) overissuances. This program has proved to be an effective collection device. For TY 1983, it is estimated that the SDSS will intercept approximately 7,500 income tax refunds for approximately \$1.2 million.

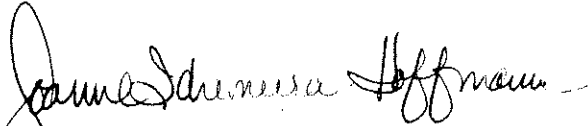
This letter provides the following: (1) instructions for participation (Attachment 1), (2) a timetable of activities (Attachment 2), and (3) necessary forms which must be completed in order to intercept TY 1984 state income tax refunds (Attachments 3 through 8).

If your county plans to participate in the AFDC/FS Intercept Program, please complete Attachment 3, Participation Agreement, by September 17, 1984 and return to.

State Department of Social Services  
Fraud Program Management Bureau  
Attention Intercept Coordinator  
744 P Street, M.S. 19-26  
Sacramento, CA 95814

Because of the effectiveness of the AFDC/FS Intercept Program in aiding in the collection of AFDC overpayments and FS overissuances, the Department urges all counties to participate. If you have any questions or comments, please contact Virginia Yagi of the SDSS Fraud Program Management Bureau at (916) 924-2836.

Sincerely,

A handwritten signature in cursive script, reading "Joanne Ichimura-Hoffmann".

JOANNE ICHIMURA-HOFFMANN  
Deputy Director  
Management Systems and  
Evaluation Division

Attachments

cc: CWDA

## INSTRUCTIONS

### 1. Submission Criteria

It is important to note at the outset that certain limitations are imposed on the AFDC/FS Intercept Program. Section 8790.2 of the State Administrative Manual provides, in part:

The offset procedure augments rather than replaces existing tax and other collection procedures and is for use when effective procedure does not exist and the State would otherwise suffer loss. An agency's remedy under the special laws applicable to its particular program and the general laws of the State is normally more appropriate and should be used unless circumstances are such that the offset procedure is the most logical method of collection . . . .

Therefore, based on the above mentioned provision, the following are not eligible for intercept:

- (1) Cases which are still eligible for grant adjustment or allotment reduction,
- (2) Cases in which the individual is making regular restitution payments,
- (3) Cases in which the time to request a state hearing has not lapsed, and
- (4) Cases in which the individual has requested a state hearing or is awaiting a decision from a state hearing.

The following types of delinquent restitution accounts are eligible for submission:

- (1) Non court-ordered restitution of AFDC overpayments. The county must have a "right of recovery" pursuant to SDSS regulations that existed at the time of the overpayment.
- (2) Civil or criminal court-ordered restitution of AFDC overpayments.
- (3) Civil or criminal court-ordered restitution of food stamp benefit overissuances as a result of an intentional Program violation.
- (4) Restitution of food stamp benefit overissuances determined to be resultant from an intentional Program violation as a result of an administrative disqualification hearing.

## 2. Restitution Account Information

Restitution account information can be submitted by magnetic computer tape or by input document. Only the following restitution account information is required to be submitted:

- (1) County number and name (Example: 38-San Francisco)
- (2) Name of individual
- (3) Social security number of individual
- (4) Type of case, i.e., AFDC or FS. AFDC and FS accounts must be listed separately.
- (5) Total amount of delinquent AFDC or FS restitution owed. The amount must be at least ten dollars.
- (6) Case, district, and/or worker numbers. Information contained in this field is optional.

### a. Counties Submitting Magnetic Computer Tape

Counties submitting restitution account information on magnetic computer tape should follow the instructions provided in Attachment 4, AFDC/FS Intercept Program: Magnetic Tape Restitution Record Description. Any questions regarding automated input should be directed to:

State Department of Social Services  
Systems Maintenance Bureau  
Attention Ms. Janet Carthen  
744 P Street, M.S. 19-58  
Sacramento, CA 95814  
(916) 924-2893

### b. Counties Submitting Input Documents

Counties submitting input documents should follow the instructions provided in Attachment 5, AFDC/FS Intercept Program: Input Document Restitution Record Description. Please follow the instructions carefully because any incorrectly completed input forms will be rejected. Time constraints preclude editing the input documents and returning the forms to the county for correction.

The input document form, Attachment 8, AFDC/FS Intercept Program: Restitution Account Input Document, must be duplicated locally.

To allow the SDSS to intercept state income tax refunds for TY 1984, participating counties must send all restitution account information, magnetic tape or forms, no later than October 1, 1984, to:

State Department of Social Services  
Computer Facilities Bureau  
Production Controls  
Attention AFDC/FS Intercept Program  
744 P Street, M.S. 19-13  
Sacramento, CA 95814

5. Limited Assignment/Certification of Correctness

In addition to the restitution account information, counties are also required to submit the following:

- (1) A Statement of Limited Assignment of AFDC/FS Restitution from each participating county to the SDSS.
- (2) A Certificate of Correctness regarding the validity and amount of delinquent restitution.

Attachment 6, Limited Assignment of Delinquent Restitution, is designed to meet these requirements and should be completed by October 1, 1984. Mail the form to:

State Department of Social Services  
Fraud Program Management Bureau  
Attention Intercept Coordinator  
744 P Street, M.S. 19-26  
Sacramento, CA 95814

4. Deletions

The county must develop an internal procedure to flag and monitor all cases submitted for intercept in order to ensure that the case continues to meet the criteria for a state income tax refund intercept. If an individual updates the account or pays it off in full after his/her name has been submitted for an intercept, the county shall submit the name for deletion as soon as possible to avoid the potential intercept of that individual's income tax refund. Deletions may be submitted at any time after the initial information is sent to the SDSS. Also, if it is discovered that an individual's income tax refund was erroneously requested for intercept and the refund has not been intercepted, the county shall submit a deletion request. Attachment 7, AFDC/FS Intercept Program: Deletion Request, is provided for the purpose of submitting deletion requests. Submit the request to:

State Department of Social Services  
Fraud Program Management Bureau  
Attention Intercept Coordinator  
744 P Street, M.S. 19-26  
Sacramento, CA 95814

5. Reimbursement of State Income Tax Refund for Wrongful Intercept

All counties participating in the AFDC/FS Intercept Program must establish procedures whereby an individual can be reimbursed without undue delay if:

- (1) a request for intercept has been submitted to the SDSS in error, or
- (2) if a deletion request has been submitted to the SDSS and the intercept has already occurred before the deletion request is processed by FTB.

6. Designation of County Contact Person(s)

It is the responsibility of the county agency to appoint a representative to handle all local level inquiries concerning the AFDC/FS Intercept Program. Counties are to provide in Attachment 3, Participation Agreement, the name, unit, and telephone number of this individual.

7. Income Tax Intercept

The SDSS will forward a statewide master tape to FTB who will run a continuous match against their master index through 1985.

The SDSS will send the following reports to each county:

(1) County Transaction Error Report (AOI100-A)

The system checks the case record submitted by the county for valid data and rejects those records that do not meet the validation criteria. This report lists the rejected cases.

(2) Duplicate Cases Report (AOI150-A)

Cases with the same county number, SSN, last name, and aid type are considered duplicate cases. The system will only accept the case with the largest overpayment or overissuance amount and will reject the others. This report lists the rejected cases.

(3) County Nonmatched Cases Report (AOI200-A)

FTB matches transactions to last year's income tax records. Cases having no match are rejected. Additionally, when multiple agencies submit an individual for income tax offset, only a case with the largest debt is accepted. The duplicate cases are rejected. This report lists the cases FTB rejected as unmatched cases and duplicate submissions for an individual.

(4) County Weekly FTB Intercept Report (AOI550-A)

This report lists individuals whose state income tax refund was intercepted as well as the address, the restitution amount requested by the county, and the amount actually intercepted.

(5) Monthly Funds Transfer Report (AOI650-A)

Monthly, via the State Controller's Office, the SDSS transfers the intercepted funds that have been collected to the County Treasurer. This report lists in detail those individuals included in the monthly check to the county.

All county entities administering the AFDC/FS Intercept Program should establish a procedure with their respective treasurers to ensure proper accounting of incoming funds from the State Controller. Note that the State Controller will prepare checks payable to the order of the County Treasurer.

8. County Follow-Up Procedure

Upon receiving the list of intercepts and corresponding funds, the county shall credit each individual account for the AFDC and FS amounts collected through the intercept process.

The total amount of the repayments should then be recorded on Form CA 800, Summary Report of Assistance Expenditures Aid to Families with Dependent Children, or CA 209, Status of Claims Against Households, as appropriate.

## AFDC/FS INTERCEPT PROGRAM: TIMETABLE

<u>Activity</u>	<u>Date</u>
County notifies the SDSS of intent to participate in the AFDC/FS Intercept Program by submitting Attachment 5.	September 17, 1984
County sends Attachment 6 and county restitution account information to the SDSS.	October 1, 1984
The SDSS will key enter input documents and merge and edit tapes to produce statewide master tape.	October 1 through November 1, 1984
The SDSS will forward master tape to FTB.	November 1, 1984
The SDSS will send the Annual Report of SDSS Rejects to the county.	December 3, 1984
FTB will edit statewide master tape. The Annual Report of FTB Rejects will be sent to the county.	January 4, 1985
FTB will run continuous matches against the FTB master index through 1985.	Beginning February 1, 1985 and ongoing
The county will submit deletions to the SDSS, if necessary.	Ongoing
The SDSS will send the Weekly Report of Matches to the county.	Weekly
The SDSS will send the Monthly Report of Matches to the county.	Monthly
FTB will transfer total monthly collections to the State Controller.	Monthly
The State Controller will send to the County Treasurer a check representing the total amount collected for the monthly period.	Monthly
The county welfare department shall credit each recipient's account with the amount intercepted and record the total amount received by the county as a repayment on Form CA-800 or CA 209.	Ongoing



## AFDC/FS INTERCEPT PROGRAM: PARTICIPATION AGREEMENT

Submit this document to:

State Department of Social Services  
Fraud Program Management Bureau  
Attention Intercept Coordinator  
744 P Street, M.S. 19-26  
Sacramento, CA 95814

\_\_\_\_\_ County will participate in the AFDC/FS Intercept Program to collect delinquent restitution of AFDC overpayments and FS overissuances.

\_\_\_\_\_  
Director's Name

\_\_\_\_\_  
Director's Signature

\_\_\_\_\_  
Date

1. Estimated number of cases county will submit for intercept: \_\_\_\_\_
2. Restitution Account input information: (Circle one) Magnetic Tape      Forms
3. Name and telephone number of the county contact person assigned to the AFDC/FS Intercept Program (liaison with the SDSS):  
Name \_\_\_\_\_ Title \_\_\_\_\_  
Department \_\_\_\_\_  
Unit/Division \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone (\_\_\_\_) \_\_\_\_\_
4. Name and telephone number of the county representative responsible for handling local level, i.e., public inquiries concerning the AFDC/FS Intercept Program. (This person's name and address will be placed on the notice sent to persons whose state income tax refunds have been intercepted.)  
Name \_\_\_\_\_ Title \_\_\_\_\_  
Department \_\_\_\_\_  
Unit/Division \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone (\_\_\_\_) \_\_\_\_\_

AFDC/FS INTERCEPT PROGRAM: MAGNETIC TAPE  
RESTITUTION RECORD DESCRIPTION

Automated Input Preparation  
County KDE Instructions

File Format: Sequential  
Character Format: EBCDIC  
Medium: 9 TRACK tape 1600 BPI or 9 TRACK tape 800 BPI  
Labels: Unlabeled  
Record Length: 80 bytes  
Blocking Factor: 1 record per block  
Documentation: A transmittal must accompany the tape. The transmittal should identify the county name and county number, the number of transaction records and the density (i.e., 1600BPI or 800BPI). Most importantly, identify the tape as input to the welfare overpayment intercept process. Example: WELFARE OVERPAYMENTS FTB REFUND INTERCEPT. Please put the type of system which generated the tape (i.e., IBM, HONEYWELL, BURROUGHS, etc.).  
Mailing address:

Department of Social Services  
Computing Facilities Bureau  
Attention Production Controls  
744 P Street, M.S. 19-13  
Sacramento, CA 95814

Sort Key: County Number, Social Security Number

Record Items:

1. County Number - Two (2) digit unsigned numeric field. It is required. Valid values 01 through 58.
2. Social Security Number - Nine (9) digit numeric field which contains the recipient's SSN. It is required. Cannot start with '8', or '9'. May be unsigned or signed according to COBOL format S9(9).
3. Last Name - Fifteen (15) character alphabetic field which contains the recipient's last name. It is required. Must be left justified with no special characters (i.e., hyphen, apostrophe, etc.).
4. First Name - Ten (10) character alphabetic field which contains the recipient's first name. It is optional entry. When not used, blank fill. When used, must be left justified with no special characters (i.e., hyphen, apostrophe, etc.).

AFDC/FS INTERCEPT PROGRAM: MAGNETIC TAPE  
RESTITUTION RECORD DESCRIPTION - Continued

5. Middle Initial - One (1) character alphabetic field which contains the recipient's middle initial. It is optional entry. When not used, blank fill. When used, must be left justified with no special characters (i.e., hyphen, apostrophe, etc.).
6. Amount Delinquent - Nine (9) digit numeric field which contains the total amount of the delinquent restitution. It is required. Cents are reduced to zero (i.e., \$10.60 = \$10.00). The decimal character is dropped. Right justified with optional preceding zeros (i.e., \$10.60 = '000001000'. May be unsigned or signed according to COBOL format S9(7)V99. Amount must be at least ten dollars.
7. Case Identification Number - Fifteen (15) character alpha-numeric field which contains the case identification number. It is optional entry. When not used, blank fill. When used, should be left justified.
8. Worker/District Number - Five (5) character alpha-numeric field which contains county EW number and/or district. It is optional entry. When not used, blank fill. When used, should be left justified.
9. Aid Type - One (1) character alphabetic field which contains the aid type. It is required. Must contain 'A' for AFDC cases or an 'F' for Food Stamp cases.
10. FILLER - Thirteen (13) character field which contains blanks.

TRANSACTION RECORD LAYOUT

<u>FIELD NUMBER</u>	<u>ITEM</u>	<u>LENGTH/MODE</u>	<u>POSITIONS</u>
1	County Number	2N	01-02
2	Social Security Number	9N	03-11
3	Last Name	15A	12-26
4	First Name	10A	27-36
5	Middle Initial	1A	37
6	Amount Delinquent	9N	38-46
7	Case Identification Number	15A/N	47-61
8	Worker/District Number	5A/N	62-66
9	Aid Type	1A	67
10	FILLER	13A/N	68-80



Submit this form to:

State Department of Social Services  
Fraud Program Management Bureau  
Attention Intercept Coordinator  
744 P Street, M.S. 19-26  
Sacramento, CA 95814

LIMITED ASSIGNMENT OF DELINQUENT RESTITUTION

\_\_\_\_\_ County hereby assigns to the State Department of Social Services those cases with delinquent restitutions for the limited purpose of allowing the State Department of Social Services to effect collection of said restitution pursuant to California Government Code Section 12419.5. This assignment is for the limited purpose stated and does not preclude \_\_\_\_\_ County from taking any other action for collection of these restitutions.

\_\_\_\_\_  
CWD Director's Name

\_\_\_\_\_  
CWD Director's Signature

\_\_\_\_\_  
Date

CERTIFICATION OF CORRECTNESS OF DELINQUENT RESTITUTION

I, (Name) \_\_\_\_\_ declare that I have supervised the compilation of the list of delinquent accounts submitted to the State Department of Social Services and I am informed and believe that each listed individual has been identified by the correct Social Security Number, and the correct amount of total restitution owed, and that such amounts are collectable pursuant to current AFDC and/or Food Stamp regulations.

I declare under penalty of perjury that the foregoing is true and correct.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 1984, in  
the County of \_\_\_\_\_, California.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

## AFDC/FS INTERCEPT PROGRAM: DELETION REQUEST

Date \_\_\_\_\_

Submit this form to:

Tax Year \_\_\_\_\_

State Department of Social Services  
 Fraud Program Management Bureau  
 Attention Intercept Coordinator  
 744 P Street, M.S. 19-26  
 Sacramento, CA 95814

Contact Person \_\_\_\_\_ County \_\_\_\_\_

Organization/Unit \_\_\_\_\_ Telephone Number (\_\_\_\_) \_\_\_\_\_

It is requested that the following names be deleted from our list of recipients submitted to the State Department of Social Services for the intercept of state income tax refunds:

SOCIAL SECURITY NUMBERLAST NAME



I certify that the above information is true and accurate.

\_\_\_\_\_  
Signature - Contact Person\_\_\_\_\_  
Date

Submit this form to:

State Department of Social Services  
Computer Facilities Bureau  
Production Controls  
Attention AFDC/FS Intercept Program  
744 P Street, M.S. 19-13  
Sacramento, CA 95814

ATTACHMENT 8

AFDC/FS INTERCEPT PROGRAM:  
RESTITUTION ACCOUNT INPUT DOCUMENT

\_\_\_\_\_  
01 02 \_\_\_\_\_  
County Number County Name

\_\_\_\_\_  
03 Social Security Number 11 \_\_\_\_\_  
\_\_\_\_\_  
27 \_\_\_\_\_  
\_\_\_\_\_  
36 \_\_\_\_\_  
\_\_\_\_\_  
37 M.I.

\_\_\_\_\_  
38 Dollar Amount Delinquent 46 \_\_\_\_\_  
\_\_\_\_\_  
62 \_\_\_\_\_  
\_\_\_\_\_  
66 \_\_\_\_\_  
\_\_\_\_\_  
67 Aid Type  
Worker/District #

\_\_\_\_\_  
03 Social Security Number 11 \_\_\_\_\_  
\_\_\_\_\_  
27 \_\_\_\_\_  
\_\_\_\_\_  
36 \_\_\_\_\_  
\_\_\_\_\_  
37 M.I.

\_\_\_\_\_  
38 Dollar Amount Delinquent 46 \_\_\_\_\_  
\_\_\_\_\_  
62 \_\_\_\_\_  
\_\_\_\_\_  
66 \_\_\_\_\_  
\_\_\_\_\_  
67 Aid Type  
Worker/District #

\_\_\_\_\_  
03 Social Security Number 11 \_\_\_\_\_  
\_\_\_\_\_  
27 \_\_\_\_\_  
\_\_\_\_\_  
36 \_\_\_\_\_  
\_\_\_\_\_  
37 M.I.

\_\_\_\_\_  
38 Dollar Amount Delinquent 46 \_\_\_\_\_  
\_\_\_\_\_  
62 \_\_\_\_\_  
\_\_\_\_\_  
66 \_\_\_\_\_  
\_\_\_\_\_  
67 Aid Type  
Worker/District #